



EUROPEAN COMMISSION

PRESS RELEASE

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Commission updates its Multiannual Financial Framework proposal with latest data

6 July 2012 - The Commission adopted today its amended proposal for the 2014-2020 Multiannual Financial Framework (MFF). The original proposal was presented on 29 June 2011; one year later this technical update responds to two needs: the budgetary impact of Croatia's accession to the EU, and the effects of the most recent economic data affecting Member States' allocations under structural funds.

On this basis, the revised proposal estimates an overall ceiling of €1,033 billion (1.08 of EU GNI) in commitments for the 2012-2014 period as opposed to €1,025 billion (1.05% of EU GNI) in the original proposal. In payments, the amended proposal amounts to € 988 billion (1.03% of EU GNI) as opposed to €972 billion originally (1,00% of EU GNI).

The increase expressed in percentage of the EU's GNI largely stems from a lower GNI estimate than the one of June last year, and, to a lesser extent, from the inclusion of Croatia in the multiannual financial framework.

*"Today's update does not change anything to the substance of our original proposal; this is a purely mechanical exercise, said EU Commissioner for financial programming and budget **Janusz Lewandowski**. There have been economic and political developments since we presented our proposal last June, and these have an impact on the figures for the next financial period. It is the Commission's duty to ensure that the final phase of negotiations on the 2014-2020 MFF is based on solid facts and up to date data. We invite the Council and the European Parliament to agree on the MFF by the end of the year in line with the conclusions of the European Council. In the face of the current crisis, the EU needs a timely agreement on the MFF to show its capacity to act decisively in support of growth and jobs and to provide a stable investment horizon for Member States and economic operators until 2020".*

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The revised overall table

(EUR million - 2011 prices)

COMMITMENT APPROPRIATIONS	2014	2015	2016	2017	2018	2019	2020	Total 2014-2020
1. Smart and Inclusive Growth	64 769	67 015	68 853	70 745	72 316	74 386	76 679	494 763
of which: Economic, social and territorial cohesion	50 464	51 897	53 177	54 307	55 423	56 474	57 501	379 243
2. Sustainable Growth: Natural Resources	57 845	57 005	56 190	55 357	54 357	53 371	52 348	386 472
of which: Market related expenditure and direct payments	42 363	41 756	41 178	40 582	39 810	39 052	38 309	283 051
3. Security and citizenship	2 620	2 601	2 640	2 679	2 718	2 757	2 794	18 809
4. Global Europe	9 400	9 645	9 845	9 960	10 150	10 380	10 620	70 000
5. Administration	8 622	8 755	8 872	9 019	9 149	9 301	9 447	63 165
of which: Administrative expenditure of the institutions	7 047	7 115	7 184	7 267	7 364	7 461	7 561	51 000
6. Compensations	27	0	0	0	0	0	0	27
TOTAL COMMITMENT APPROPRIATIONS	143 282	145 021	146 400	147 759	148 690	150 195	151 888	1 033 235
as a percentage of GNI	1.10%	1.09%	1.08%	1.08%	1.07%	1.06%	1.06%	1.08%
TOTAL PAYMENT APPROPRIATIONS	133 976	141 175	144 126	138 776	146 870	144 321	138 356	987 599
as a percentage of GNI	1.03%	1.06%	1.06%	1.01%	1.06%	1.02%	0.96%	1.03%

The adjustments in view of Croatia's accession per year and policy

The bulk of increases for Croatia concerns cohesion and agriculture. These amounts were agreed to by all Member States in the Accession treaty signed on 9 December 2011. Increases in other areas where funds are not pre-allocated on a national basis (science and research or education for instance) are based on Croatia's share in EU GDP and population (0.62%). Increases in administration cover requirements in terms of translation/interpretation, legal and programme management expertise resulting from Croatia's membership.

(EUR million - 2011 prices)

COMMITMENT APPROPRIATIONS	2014	2015	2016	2017	2018	2019	2020	Total 2014-2020
1. Smart and Inclusive Growth	1 088	1 295	1 330	1 361	1 395	1 428	1 462	9 360
of which: Economic, social and territorial cohesion	1 011	1 214	1 244	1 271	1 300	1 329	1 358	8 728
2. Sustainable Growth: Natural Resources	458	477	488	496	520	542	564	3 545
of which: Market related expenditure and direct payments	118	134	148	163	193	222	249	1 227
3. Security and citizenship	88	31	31	31	31	31	31	273
4. Global Europe	0	0	0	0	0	0	0	0
5. Administration	80	76	76	76	76	76	76	536
of which: Administrative expenditure of the institutions	80	76	76	76	76	76	76	536
6. Compensations	27	0	0	0	0	0	0	27
TOTAL COMMITMENT APPROPRIATIONS	1 741	1 879	1 925	1 964	2 021	2 078	2 133	13 741
TOTAL PAYMENT APPROPRIATIONS	550	877	1 284	1 640	1 764	1 941	1 900	9 956

Differences with original proposal (in million euro, all in 2011 prices)

Commitment appropriations		
	June 2011	July 2012 update
1. Smart & inclusive growth	490 908	494 763
2. Sustainable growth: natural resources	382 927	386 472
3. Security & Citizenship	18 535	18 809
4. Global Europe	70 000	70 000
5. Administration	62 629	63 165
Total commitments	1 025 000	1 033 235
Payment appropriations	972 198	987 599

Background:

Amounts within the Multiannual Financial Framework are NOT amounts for future EU budgets, they are only ceilings not to be exceeded. EU budgets are adopted annually and are always below the agreed ceilings.

The future Multiannual Financial Framework is more than just about expenditure ceilings – it is about new rules on how best to use the amounts currently negotiated as part of the legislative process held in parallel with the MFF negotiations. Perhaps, even more important, these elements taken together constitute a new tool box to boost economic reforms and fiscal consolidation in Member States.

The revised proposal:

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